

# Mineral Industry Surveys

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## GOLD IN SEPTEMBER 2005

U.S. mines produced 23,100 kilograms (kg) of gold in September, a 4% increase compared with that of August, according to the U.S. Geological Survey. Production of gold in Nevada increased 5% over the same period.

Engelhard Industries' average gold price for September was \$457.95 per troy ounce, 4% more than the average August price, and was the highest monthly average in 18 years.

Several environmental groups have filed a lawsuit against the U.S. Army Corps of Engineers and the U.S. Forest Service for the approval of the Kensington Gold Mine's plan to dispatch tailings into Lower Slate Lake, AK. Coeur Alaska (Juneau, AK), a subsidiary of Coeur d'Alene Mines Corporation (Coeur d'Alene, ID), has spent more than \$25 million in performing 900 environmental studies on the Kensington Gold Mine project since 1987 (Murkowski, 2005).

The World Gold Council (2005<sup>§1</sup>) released figures which show that the value of world consumption of gold jewelry reached a record high of \$38 billion in the 12 months ending in June. In the first half of 2005, world gold consumption increased by 21% in quantity and 29% in value as compared with that of the same period in 2004.

Several companies have announced updates of the status of gold mining projects. Nevada-based Glamis Gold Ltd. announced the startup of the Marlin Mine in Guatemala and expected commercial production to begin in November. In 2006, production was anticipated to be 8,000 kg of gold and 109,000 kg of silver (Glamis Gold Ltd., 2005).

The first gold bar was poured from Goldcorp Inc.'s (Vancouver, British Columbia, Canada) Amapari Mine in Brazil, which was expected to produce 5,800 kg of gold in 2006 (Goldcorp Inc., 2005).

Placer Dome Inc. (Vancouver, British Columbia, Canada) has invested \$1 billion in its Pueblo Viejo gold project in the Dominican Republic and also announced approval of the Cortez Hills project in Western Australia. These two announcements

were in contrast to the announcement that the Cerro Casale project in Chile was not financially viable and would not be developed at this time (Placer Dome Inc., 2005a, b).

The Barrick Gold Corporation's (Toronto, Ontario, Canada) Veladero gold mine in Argentina started production and was expected to produce an average 22,000 kilograms per year (kg/yr) of gold (Barrick Gold Corporation, 2005).

AngloGold Ashanti Limited (Johannesburg, South Africa) ended its exploration in Peru owing to the failure to find suitable gold deposits. The company still holds 30,000 hectares of mining concessions as well as joint venture projects in Peru and has left open the possibility of a renewal of mining activities (CRU Week in the News, 2005§).

Oxus Gold plc (London, United Kingdom) reported the first production from its second mine in Uzbekistan. The Vysokovoltnoye gold and silver mine was projected to produce 650 kg/yr of gold and 76,800 kg/yr of silver (Oxus Gold plc, 2005).

The Philippine Supreme Court approved construction of the nation's first large-scale gold operations funded completely by foreign investors. Australian mining company Climax Mining Limited planned to start construction of the Dinkidi gold and copper project in 2006, with production starting by the end of the first-half of 2007 (Mining Engineering, 2005).

The first hard-rock gold mine in the Russian Kamchatka region was expected to begin production by the end of the year. The Aginskoye Mine was estimated to have a production capacity of 3,000 kg/yr of gold. The mine has been in development since 1994 but has met opposition from environmental protection groups (Hurst, 2005).

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<sup>1</sup>References that include a section mark (§) are found in the Internet References Cited section.

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TABLE 1  
MINE PRODUCTION OF RECOVERABLE GOLD  
IN THE UNITED STATES, BY STATE<sup>1</sup>

(Kilograms)

	California	Nevada	Other States <sup>2</sup>	Total
2004: <sup>p</sup>				
September	174	18,400	3,490	22,100
October	153	17,200	3,140	20,500
November	126	18,300	3,900	22,400
December	W	20,500	3,840	24,400
January-December	3,260	216,000	38,800	258,000
2005:				
January	W	15,600	3,800	19,400
February	W	14,600	3,410	18,000
March	159	20,300	3,730	24,200
April	W	17,000	4,060	21,100
May	W	16,900	3,520	20,400
June	W	18,500	3,590	22,100
July	W	18,100	3,340	21,400
August	W	18,500	3,690 <sup>r</sup>	22,200 <sup>r</sup>
September	W	19,400	3,730	23,100
January-September	159	159,000	32,900	192,000

<sup>p</sup>Preliminary. <sup>r</sup>Revised. W Withheld to avoid disclosing company proprietary data; included with "Other States."

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes Alaska, Arizona, Colorado, Idaho, Montana, South Dakota, Utah, Washington, and State indicated by symbol W.

TABLE 2  
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2004:	
Low/date	376.29 May 10
High/date	455.62 Dec. 2
Average	410.52
2005:	
July:	
Low/date	420.61/19
High/date	433.99/1
Average	425.70
August:	
Low/date	432.03/30
High/date	448.66/12
Average	439.40
September:	
Low/date	441.00/1
High/date	474.70/30
Average	457.95
Year to date:	
Low/date	412.45 Feb. 8
High/date	474.70 Sep. 30
Average	432.77
Handy and Harman:	
2004, average	409.21
2005:	
July	424.33
August	438.03
September	456.52
Year to date	431.42
London Final:	
2004, average	409.21
2005:	
July	424.48
August	437.93
September	456.05
Year to date	431.32

Source: Platts Metals Week.

TABLE 3  
U.S. IMPORTS AND EXPORTS OF GOLD<sup>1</sup>

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates <sup>2</sup>	Doré and precipitates	Refined bullion <sup>3</sup>	Total <sup>4</sup>	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2004	1,860	142,000	139,000	283,000	20,500	10,900	60,000
2005:							
June	85	17,900	8,250	26,200	1,750	18	1,220
July	220	10,500	7,070	17,800	2,620	23	1,750
August:							
Brazil	--	--	678	678	--	--	--
Canada	224	--	3,450	3,670	282 <sup>5</sup>	5	445 <sup>5</sup>
Chile	--	1,350 <sup>5</sup>	550	1,900	--	--	--
Colombia	--	2,030	63	2,100	30	--	--
Dominican Republic	--	--	2	2	1,040 <sup>5</sup>	--	--
Germany	--	--	--	--	--	--	3,900 <sup>5</sup>
Honduras	--	204	113	317	34	--	--
Mexico	--	150	2,300	2,450	343	18 <sup>5</sup>	--
Nicaragua	--	178	--	178	15	1	--
Peru	--	11,700	--	11,700	--	--	--
Other	--	132	183	315	321 <sup>5</sup>	73	209 <sup>5</sup>
Total	224	15,800	7,340	23,300	2,060	96	4,560
Year to date	934	167,000	62,400	230,000	15,600	1,770	25,000
Exports:							
2004	1,150	142,000	114,000	257,000	725,000	647	1,170,000
2005:							
June	96	11,200	16,500	27,800	31,100	63	123,000
July	105	12,200	13,400	25,700	44,000	62	111,000
August:							
Bahamas, The	--	--	--	--	--	--	323 <sup>5</sup>
Canada	--	--	5	5	8,550	(6)	2,260 <sup>5</sup>
Dominican Republic	44	--	--	44	--	--	2,800 <sup>5</sup>
Germany	5	--	--	5	18,300	(6) <sup>5</sup>	509 <sup>5</sup>
Hong Kong	--	--	8	8	--	--	2,490
Ireland	7 <sup>5</sup>	--	--	7	--	--	794 <sup>5</sup>
Israel	--	--	24	24	--	7 <sup>5</sup>	4,250 <sup>5</sup>
Italy	--	--	--	--	959	--	--
Japan	--	--	1,500	1,500	36	5 <sup>5</sup>	--
Korea, Republic of	--	1	--	1	--	25	426 <sup>5</sup>
Mexico	--	--	515	515	--	1 <sup>5</sup>	--
Netherlands	--	--	--	--	--	--	367 <sup>5</sup>
Panama	--	--	--	--	--	--	552 <sup>5</sup>
Singapore	--	--	--	--	--	--	57,900 <sup>5</sup>
Switzerland	--	9,630	6,490	16,100	160	--	--
Taiwan	--	--	--	--	--	--	6,090 <sup>5</sup>
Thailand	--	--	1,000	1,000	--	--	--
Trinidad and Tobago	--	--	1	1	--	--	322 <sup>5</sup>
United Arab Emirates	--	--	1,000	1,000	--	--	--
United Kingdom	61	1,990	3,010	5,060	4,240	34	325 <sup>5</sup>
Other	2 <sup>5</sup>	--	200	202	9	36 <sup>5</sup>	501 <sup>5</sup>
Total	118	11,600	13,800	25,500	32,200	109	79,900
Year to date	871	90,200	127,000	218,000	425,000	520	882,000

-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes gold content of base metal ores, concentrates, and matte imported for refining.

<sup>3</sup>Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

<sup>4</sup>"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

<sup>5</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

<sup>6</sup>Less than ½ unit.

Source: U.S. Census Bureau.